



INTERNATIONAL EGG AND POULTRY REVIEW

ISSN 1522-5100



U.S. Department of Agriculture	Agricultural Marketing Service	Poultry Programs	Market News & Analysis Branch
--------------------------------	--------------------------------	------------------	-------------------------------

Mexico

In July, 2007, Mexico lifted the ban on 11 counties after visiting Texas in May, 2007 to confirm the state was free of HPAI. The lifting of the ban coincided with the ending of the requirements that all shipments of raw U.S. poultry to Mexico be sealed at the point of origin resulting in a lowering of the costs of product destined to Mexico.

Even with a forecast 2.4% increase in poultry production for 2008, imports of both chicken and turkey in 2008 are being forecasted by the United States Department of Agriculture (USDA), Foreign Agricultural Service (FAS) to increase slightly primarily as a result of a growing demand from food processors for mechanically separated meat and cuts for further processing. Mexico in 2006 was 1 of the top 4 importers of U.S. broiler products and the largest importer of U.S. turkey meat. Mexico was also a major consumer of shell eggs from the U.S. and was a top destination for dried yolk in 2006.

Poultry producers in Mexico have benefited from a safeguard agreement with the U.S. that has been in place since 2003 on chicken leg quarters. The tariff-rate quota (TRQ) on chicken leg quarters started in 2003 at 100,000 metric tons (MT) with an over quota rate of 98.8% and for 2007 the TRQ is presently 104,060 MT with an over quota rate of 19.8%. The safe guard will end in January, 2008 when the TRQ ends and the over quota rate drops to zero. Even with the safeguard enabling the Mexican poultry industry to invest in modern technology to increase their competitiveness, some producers are nervous about whether they will be able to compete in 2008 when it is lifted.

Chile is a major competitor with the U.S. in Mexico. In 2006 Mexico imported 28% of its frozen chicken cuts from Chile and currently Chile is supplying about 17% of Mexico's frozen chicken cuts.

Turkey meat production in Mexico is forecast to increase from the 14,800 MT estimate in 2007 to 15,240 MT in 2008. However, turkey meat consumption in 2008 is expected to be at 207,000 MT and average per capita consumption has increased from 4.0 pounds per person in 2005 to 4.2 pounds per person in 2007. Part of the increased consumption in turkey meat has come from increased demand for cold cuts through sales in supermarkets and delicatessen-type restaurants and also from a change in consumption patterns as consumers become more health conscious. Mexico's supermarket segment has also been growing rapidly and now accounts for 40% of overall food sales.

The processing industry imports most of the turkey cuts and mechanically separated turkey for the domestic cold cuts industry since domestic production cannot supply demand. Around 75% of Mexican turkey production is sold as whole turkeys during the Christmas season and the balance as cut-up and further processed turkey meat products. The U.S. is the main supplier of turkey meat for Mexico; however, Chile also has a presence in Mexico. Products from Chile enter duty free under the Mexico-Chile Free Trade Agreement, which helps make their mostly frozen product competitively priced.

Sources: USDA/ERS, USDA/FAS

U.S. Shell Egg & Egg Products Exports to Mexico January-September Comparisons (Metric Tons)

Product	2003	2004	2005	2006	2007
Shell Egg					
(Doz, Thousands)	363	14	117	4,044	2,376
Dried Egg Yolks	10	52	246	139	88
Egg Yolks					
(Not Dried)	40	320	432	710	514
Dried Whole Egg	201	159	446	927	1,441
Whole Egg					
(Not Dried)	17	25	109	54	434
Dried Egg White	11	13	129	59	349
Egg White					
(Not Dried)	3	3	0	97	6

Data Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

U.S. Turkey Exports To Mexico January-September Comparisons (Metric Tons)

Product	2003	2004	2005	2006	2007
Whole					
(Fresh/Chilled)	2,363	2,156	3,267	1,764	5,828
Whole Frozen	490	817	1,643	1,092	3,164
Turkeys Cuts					
(Fresh/Chilled)	40,917	47,767	78,433	72,693	70,422
Turkeys Cuts					
(Frozen)	28,509	27,900	30,639	23,432	21,528
Turkey Sausage					
Franks	943	3,362	2,440	2,849	3,608

Data Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

U.S. Chicken Exports To Mexico January-September Comparisons (Metric Tons)

Product	2003	2004	2005	2006	2007
Whole					
(Fresh/Chilled)	6,591	22,621	22,875	32,705	19,200
Whole Frozen	3,376	298	1,268	9,367	5,226
Chicken Cuts					
(Fresh/Chilled)	52,706	68,424	92,500	61,629	33,325
Chicken Cuts					
(Frozen)	56,526	64,953	71,936	73,173	80,640
Chicken Sausage					
Franks	1,176	2,549	3,872	6,258	7,703

Data Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

INSPECTED EGG PRODUCTS-**U.S. & CANADA IMPORT/EXPORT TRADE****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Type	2007	2006 /1	2007 /2	2006
Liquid	52	303	3,277	10,580
Frozen	0	0	71	172
Dried	48	20	705	600
Total	100	323	4,053	11,352

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Type	2007	2006 /1	2007 /2	2006
Liquid	426	445	13,987	4,319
Frozen	0	5	282	899
Dried	0	0	857	66
Total	426	450	15,126	5,284

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Type	2007	2006 /1	2007 /2	2006
Jumbo	0	0	0	150
Ex Large	1,830	2,010	54,453	79,611
Large	4,830	2,396	87,672	153,650
Medium	2,580	2,454	57,509	78,366
Ungraded	18,894	2,880	184,746	212,738
Misc	0	0	7,849	6,975
Total	28,134	9,740	392,229	531,490

/1 Comparable Week, to-date figures may not total due to rounding.

/2 Includes revisions to previous week(s)

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA AMS Poultry Programs, Market News & Analysis

U.S./Canadian Live Poultry Slaughtered Under Inspection

Week Ending November 10, 2007 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,052	1,457	2,509
Last Week	1,109	1,741	2,850
Same week yr ago	955	1,600	2,555
To-date/2007	49,585	66,256	115,841
To-date/2006	48,740	67,182	115,922

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	248	0	248
Last Week	276	0	276
Same week yr ago	127	0	127
To-date/2007	11,592	36	11,628
To-date/2006	6,808	46	6,854

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. fowl slaughtered in the U.S. and Canada

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,300	1,457	2,757
Last Week	1,385	1,741	3,126
Same week yr ago	1,082	1,600	2,682
To-date/2007	61,177	66,292	127,469
To-date/2006	55,548	67,228	122,776

Source: USDA AMS Poultry Programs, Market News & Analysis Branch

On January 4, 2008 - The Central and Eastern Region MSC reports will be combined into the new National Mechanically Separated Chicken report and will no longer be available as a separate report. Until then, the new National MSC report will run concurrently and may be viewed at: <http://www.ams.usda.gov/poultry/mnscs/PDF%20Reports/MSC/msc.htm>

MECHANICALLY SEPARATED CHICKEN PRICES NEGOTIATED, FOB SHIPPER DOCK OR EQUIVALENT, IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

CENTRAL REGION

November 16, 2007

CHICKEN WITH SKIN ADDED

	---- PRICES ----		---- VOLUME ----	
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS RANGE	-	16.00	61,200	-
WTD AVERAGE		16.00		
15-20% RANGE	16.50-20.00	11.00-15.00	2,920,800	1,941,600
WTD AVERAGE	17.28	11.37		
20% OR MORE RANGE	-	14.00	40,000	-
WTD AVERAGE		14.00		

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION

November 16, 2007

CHICKEN WITH SKIN ADDED

	---- PRICES ----		---- VOLUME ----	
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS RANGE	15.75	15.00-16.00	598,000	214,000
WTD AVERAGE	15.75	15.69		
15-20% RANGE	16.00-21.00	11.00-16.00	3,187,800	2,187,800
WTD AVERAGE	17.41	13.77		
20% OR MORE RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 16 NOVEMBER 2007.

The market tone on tom drums was mostly steady with some spot weakness noted on smaller sized product into export channels. The market tone on tom full-cut wings was steady to barely steady and tom necks steady to instances weak. Demand moderate on tom drums for domestic and export shipments with interest noted from Africa and Asia, light to instances moderate on the balance of tom bulk parts. Offerings of tom drums light to mostly adequate, tom wings adequate to fully adequate and tom necks adequate to instances ample. The market tone on breast trim was steady to instances weak and scapula steady to barely steady. Demand light to moderate, best on scapula. Offerings adequate to instances burdensome. Trading was slow to moderate, best into export channels. Fresh tom drums traded at 57-58 cents delivered export.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, NOVEMBER 16, 2007	RANGE	CODE 1/	PRICE	(000)	WTD AVG	VOLUME
DRUMSTICKS, TOMS	60.00		60.00	432	60.00	432
WINGS FULL-CUT - TOMS	48.00		48.00	52	48.00	52
WINGS, V-TYPE, TOM						
TAILS		R	29.00	52	29.22	92
MECHANICALLY SEPARATED 2/	17.00		17.00	312	15.43	728
THIGH MEAT - FROZEN		F	95.00	40		

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, NOVEMBER 15, 2007	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	60.00	160
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	29.00		29.00	52
MECHANICALLY SEPARATED 2/	14.00-14.50		14.25	416
THIGH MEAT - FROZEN		F	95.00	40

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, NOVEMBER 14, 2007	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	60.00	160
WINGS FULL-CUT - TOMS		W	48.50	40
WINGS, V-TYPE, TOM				
TAILS	29.50		29.50	40
MECHANICALLY SEPARATED 2/		F	17.00	324
THIGH MEAT - FROZEN		F	95.00	40

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, NOVEMBER 13, 2007	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	60.00	160
WINGS FULL-CUT - TOMS		W	48.50	40
WINGS, V-TYPE, TOM				
TAILS		R	27.50	40
MECHANICALLY SEPARATED 2/		F	17.00	324
THIGH MEAT - FROZEN		F	95.00	40

NO EXPORT TRADING FOR MONDAY, NOVEMBER 12, 2007 ~ DUE TO VETERANS DAY HOLIDAY

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15/20% fat with skin added.